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CLERK U.S. DISTRICT COURT
CENTRAL DIST. OF CALIF.
LOS ANGELES

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

January 2015 Grand Jury

CR 16-0018

UNITED STATES OF AMERICA,

Plaintiff,

v.

BYONG CHUN MIN,
aka "David Min," and
JASON S. MIN,

Defendants.

CR No.

I N D I C T M E N T

[18 U.S.C. § 1347: Health Care Fraud; 42 U.S.C. § 1320a-7b(b)(1)(A): Illegal Remunerations for Health Care Referrals; 18 U.S.C. § 1028A(a)(1): Aggravated Identity Theft; 18 U.S.C. § 2(b): Causing an Act to be Done]

The Grand Jury charges:

COUNTS ONE THROUGH SIX

[18 U.S.C. §§ 1347, 2(b)]

A. INTRODUCTORY ALLEGATIONS

At all times relevant to this Indictment:

Defendants

1. Defendant BYONG CHUN MIN, also known as ("aka") "David Min" ("defendant BYONG"), was a resident of Irvine, California, within the Central District of California.

1 2. Defendant JASON S. MIN ("defendant JASON") was a resident
2 of Irvine, California, within the Central District of California.
3 Defendant JASON is the son of defendant BYONG.

4 3. Beginning in or about October 2009 and continuing through
5 in or about January 2016, defendants BYONG and JASON owned, operated,
6 and controlled Glory Rehab Team, Inc., aka "Dream Hospital," aka
7 "Daesung Clinic," a California corporation ("Glory Rehab"), which was
8 located in Orange County, within the Central District of California.

9 Co-Schemers

10 4. Co-schemer Marlon Songco was the president of Rehab
11 Dynamics, Inc., a California corporation ("Rehab Dynamics"), which
12 was located at various sites in Los Angeles and Orange Counties,
13 within the Central District of California.

14 5. Co-schemers Joseff Sales ("Sales") and Danniell Goyena
15 ("Goyena") owned, operated, and controlled Rehab Dynamics and RSG
16 Rehab, Inc. ("RSG"). RSG also was a California corporation, with
17 locations at various sites in Los Angeles County, within the Central
18 District of California.

19 6. A bank account for Rehab Dynamics was maintained at J.P.
20 Morgan Chase Bank, N.A., with account number ending in 5060 (the
21 "Rehab Dynamics Bank Account"). The bank accounts for RSG were
22 maintained at J.P. Morgan Chase Bank, N.A., with account numbers
23 ending in 5234, 2189, and 2698 (the "RSG Bank Accounts").

24 The Medicare Program

25 7. Medicare was a health care benefit program, affecting
26 commerce, that provided medical benefits to individuals who were over
27 the age of 65 or disabled. Medicare was administered by the Centers
28 for Medicare and Medicaid Services ("CMS"), a federal agency

1 operating under the authority of the United States Department of
2 Health and Human Services ("HHS").

3 8. Individuals who qualified for Medicare benefits were
4 referred to as Medicare "beneficiaries." Each Medicare beneficiary
5 was given a Health Identification Card containing a unique
6 identification number ("HICN").

7 9. Health care providers who provided medical services that
8 were reimbursed by Medicare were referred to as Medicare "providers."

9 10. CMS contracted with private companies to certify providers
10 for participation in the Medicare program and monitor their
11 compliance with Medicare standards, to process and pay claims, and to
12 perform program safeguard functions, such as identifying and
13 reviewing suspect claims.

14 11. To obtain reimbursement from Medicare, a provider had to
15 apply for and obtain a provider number. By signing the provider
16 application, the provider agreed to (a) abide by Medicare rules and
17 regulations and (b) not submit claims to Medicare knowing they were
18 false or fraudulent or with deliberate ignorance or reckless
19 disregard of their truth or falsity.

20 12. If Medicare approved a provider's application, Medicare
21 assigned the provider a Medicare provider number, which enabled the
22 provider to submit claims to Medicare for services rendered to
23 Medicare beneficiaries.

24 13. Medicare reimbursed providers only for services, including
25 physical therapy, that were medically necessary to the treatment of a
26 beneficiary's illness or injury, were prescribed by a beneficiary's
27 physician or a qualified physician's assistant acting under the
28 supervision of a physician, and were provided in accordance with

1 Medicare regulations and guidelines that governed whether a
2 particular service or product would be reimbursed by Medicare.

3 14. Medicare required that physical therapy services be
4 performed by (a) a physician, (b) a physical therapist ("PT"), or
5 (c) a physical therapy assistant ("PTA") acting under the direct
6 supervision of a physician or PT. "Direct supervision" required that
7 the doctor or PT be physically present in the same office suite and
8 immediately available to provide assistance and direction throughout
9 the time the PTA was performing physical therapy services. Physical
10 therapy services provided by aides or physical therapy students were
11 not reimbursable by Medicare, regardless of the level of supervision.

12 15. Medicare did not cover acupuncture or reimburse providers
13 for acupuncture services. Medicare did not cover massages unless
14 they were therapeutic massages provided by a licensed therapist as
15 part of the beneficiary's plan of care.

16 B. THE SCHEME TO DEFRAUD

17 16. Beginning in or about May 2010, and continuing until at
18 least in or about April 2012, in Los Angeles and Orange Counties,
19 within the Central District of California and elsewhere, defendants
20 BYONG and JASON, and co-schemers Sales, Goyena, and Songco, together
21 with others known and unknown to the Grand Jury, knowingly,
22 willfully, and with the intent to defraud, executed and attempted to
23 execute a scheme and artifice: (1) to defraud a health care benefit
24 program, namely, Medicare, as to material matters in connection with
25 the delivery of and payment for health care benefits, items, and
26 services; and (2) to obtain, by means of material false and
27 fraudulent pretenses and representations and the concealment of
28 material facts, in connection with the delivery of and payment for

1 health care benefits, items, and services, money under the custody
2 and control of Medicare.

3 17. The fraudulent scheme operated, in substance, in the
4 following manner:

5 a. Co-schemers Sales, Goyena, and Songco paid Glory Rehab
6 for defendants BYONG and JASON's referrals of Medicare beneficiaries
7 to Rehab Dynamics and RSG.

8 b. Defendants BYONG and JASON recruited Medicare
9 beneficiaries to Glory Rehab. The Medicare beneficiaries supplied
10 their Medicare cards, HICNs, and patient information to Glory Rehab,
11 and defendants BYONG and JASON subsequently provided this information
12 to co-schemers Sales, Goyena, and Songco at Rehab Dynamics and RSG.

13 c. As defendants BYONG and JASON knew, co-schemers Sales,
14 Goyena, and Songco hired licensed PTs, many of whom worked full-time
15 elsewhere, to perform only a small portion of patient evaluations,
16 without any follow-up treatment, for Medicare beneficiaries at Glory
17 Rehab. As defendants BYONG and JASON knew, Sales, who was a PT,
18 evaluated some, but not all, of these beneficiaries and created plans
19 of physical therapy treatment for them, even though, many of these
20 beneficiaries never received any physical therapy services.

21 d. While at Glory Rehab, Medicare beneficiaries often
22 received only massages and acupuncture (services defendants BYONG and
23 JASON knew were not covered by Medicare) from individuals not
24 licensed to perform physical therapy.

25 e. Defendants BYONG and JASON and co-schemers Sales,
26 Goyena, and Songco provided information to Accubill Medical Billing
27 Services ("Accubill"), including the names, HICNs, and other patient
28 information for the Glory Rehab Medicare beneficiaries, as well as

1 falsified records that made it appear as though these Medicare
2 beneficiaries had received physical therapy treatments from specific
3 PTs hired by Rehab Dynamics and RSG, knowing and intending that
4 Accubill would use this falsified information to submit false and
5 fraudulent claims to Medicare for physical therapy.

6 f. As a result of the claims submitted by Accubill, Rehab
7 Dynamics and RSG received payment from Medicare for those false and
8 fraudulent physical therapy claims, and the payments were deposited
9 into the Rehab Dynamics and RSG Bank Accounts, to which co-schemers
10 Sales, Goyena, and Songco had joint access, and over which they
11 exercised joint control.

12 g. For the Medicare payments deposited into the Rehab
13 Dynamics and RSG Bank Accounts, co-schemers Sales, Goyena, and Songco
14 paid kickbacks to defendants BYONG and JASON for the referral of the
15 Glory Rehab Medicare beneficiaries to Rehab Dynamics and RSG. These
16 kickbacks were approximately 55 percent of the Medicare payments
17 received by Rehab Dynamics and RSG from the submission of the
18 fraudulent claims to Medicare for physical therapy.

19 h. Between in or about May 2010 and continuing until at
20 least in or about April 2012, Rehab Dynamics and RSG obtained and
21 received from Medicare, and deposited into the Rehab Dynamics and RSG
22 Bank Accounts, approximately \$587,964 from fraudulent and improper
23 claims submitted to Medicare, primarily for physical therapy, on
24 behalf of Medicare beneficiaries recruited at Glory Rehab by
25 defendants BYONG and JASON. Defendants BYONG and JASON, through
26 Glory Rehab, received approximately \$323,380 of this amount for their
27 participation in the fraudulent scheme, including in particular for
28 their recruiting the Glory Rehab Medicare beneficiaries and for their

providing these beneficiaries' Medicare information to co-schemers Sales, Goyena, and Songco for use in creating and submitting to Medicare fraudulent claims for physical therapy.

C. EXECUTIONS OF THE FRAUDULENT SCHEME

18. On or about the dates set forth below, within the Central District of California, and elsewhere, defendants BYONG and JASON, together with others known and unknown to the Grand Jury, knowingly and willfully executed and attempted to execute the fraudulent scheme described above, by submitting and causing to be submitted to Medicare the following false and fraudulent claims:

COUNT	DATE CLAIM SUBMITTED	CLAIM
ONE	1/31/2011	Claim number 551111031903800 for \$80.00 for manual physical therapy (97140) purportedly provided on or about January 26, 2011 to beneficiary H.L. by physical therapist L. Sayat
TWO	2/22/2011	Claim number 551111053915710 for \$80.00 for therapeutic exercises (97110) purportedly provided on or about February 7, 2011 to beneficiary H.L. by physical therapist L. Sayat
THREE	3/15/2011	Claim number 551811074542630 for \$80.00 for manual physical therapy (97140) purportedly provided on or about March 10, 2011 to beneficiary A.K. by physical therapist L. Sayat
FOUR	1/19/2012	Claim number 551912023188920 for \$80.00 for therapeutic exercises (97110) purportedly provided on or about January 3, 2012 to beneficiary K.P. by physical therapist L. Sayat
FIVE	1/19/2012	Claim number 551912023188910 for \$80.00 for therapeutic exercises (97110) purportedly provided on or about January 3, 2012 to beneficiary H.P. by physical therapist L. Sayat

SIX	3/1/2012	Claim number 551912061030192 for \$100.00 for physical therapy evaluation (97001) purportedly provided on or about February 1, 2012 to beneficiary J.L. by physical therapist L. Sayat
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COUNTS SEVEN THROUGH TWELVE

[42 U.S.C. § 1320a-7b(b)(1)(A)]

19. The Grand Jury hereby repeats and realleges paragraphs 1 through 15 and 17 of this Indictment as if fully set forth herein.

20. On or about the dates set forth below, in Los Angeles County, within the Central District of California, and elsewhere, defendants BYONG and JASON, together with others known and unknown to the Grand Jury, knowingly and willfully solicited and received remuneration, namely, checks payable in the approximate amounts set forth below, drawn on the RSG Bank Accounts, in return for referring individuals to RSG for physical therapy-related services, for which payment could be made in whole and in part under a Federal health care program, namely, Medicare:

COUNT	DATE	CHECK
SEVEN	2/4/2011	Check number 1232, drawn on the RSG Bank Accounts, in the amount of \$4,518.88, payable to Glory Rehab
EIGHT	4/13/2011	Check number 1266, drawn on the RSG Bank Accounts, in the amount of \$5,769.11, payable to Glory Rehab
NINE	7/8/2011	Check number 1346, drawn on the RSG Bank Accounts, in the amount of \$3,408.97, payable to Glory Rehab
TEN	12/15/2011	Check number 1587, drawn on the RSG Bank Accounts, in the amount of \$5,819.24, payable to Glory Rehab
ELEVEN	3/29/2012	Check number 2043, drawn on the RSG Bank Accounts, in the amount of \$6,629.77, payable to Glory Rehab
TWELVE	4/24/2012	Check number 2082, drawn on the RSG Bank Accounts, in the amount of \$2,975.97, payable to Glory Rehab

COUNTS THIRTEEN AND FOURTEEN

[18 U.S.C. §§ 1028A(a)(1), 2(b)]

21. The Grand Jury hereby repeats and realleges paragraphs 1 through 15 and 17 of this Indictment as if fully set forth herein.

22. On or about the dates set forth below, in Los Angeles County, within the Central District of California, defendants BYONG and JASON, together with others known and unknown to the Grand Jury, knowingly transferred, possessed, and used, and willfully caused to be transferred, possessed, and used, without lawful authority, means of identification of other persons, namely, the names and HICNs of the Medicare beneficiaries identified below, during and in relation to felony violations of Title 18, United States Code, Section 1347, as charged in the related counts of the Indictment identified below.

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COUNT	DATE	BENEFICIARY (HICN)	RELATED COUNT OF INDICTMENT
THIRTEEN	1/19/2012	K.P. (xxxxxx0818A)	COUNT FOUR
FOURTEEN	1/19/2012	H.P. (xxxxxx4917A)	COUNT FIVE

A TRUE BILL

/s/
Foreperson

EILEEN M. DECKER
United States Attorney



LAWRENCE S. MIDDLETON
Assistant United States Attorney
Chief, Criminal Division

GEORGE S. CARDONA
Assistant United States Attorney
Chief, Major Frauds Section

STEPHEN A. CAZARES
Assistant United States Attorney
Deputy Chief, Major Frauds Section

BYRON J. MCLAIN
Assistant United States Attorney
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